

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Periodic Reporting
(Proposal Five)

Docket No. RM2022-11

PUBLIC REPRESENTATIVE MOTION
FOR ISSUANCE OF INFORMATION REQUEST

(Issued August 25, 2022)

In accordance with 39 CFR 3010.170(e), the Public Representative respectfully requests that an Information Request be issued to the Postal Service to obtain answers to the following questions. The questions are meant to help interested parties give constructive comments and opinions concerning the proposal to update the methodology for calculating Contract Delivery Services (CDS) cost proportions for estimating accrued CDS costs and to update the distribution key used for attributing the CDS costs.

Proposed Questions:

1. The Postal Service notes that the Contract Delivery Services (CDS) accrued costs in general ledger (GL) Account No. 53605 – Intra-CSD Regular (Intra-District) – and Account No. 53601 – Intra-processing & distribution center (Intra-P&DC) Regular “comprise the overwhelming majority of all CDS costs and have a distinct treatment.”¹ Please explain what is meant by distinct treatment that is accorded to these accounts.

¹ Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Five), July 29, 2022 (Petition) at 2. See also Report on Contract Delivery Service Cost Attribution Accrued Cost and Distribution Key, July 29, 2022 (Report) at 2

2. The Postal Service states that “[t]o the extent that any CDS costs are accrued in other accounts, such as Inter-SCF and Domestic Inland Water, they are treated in the same manner as the non-CDS costs in those accounts” *Id.* Please explain the inclusion of the CDS costs accrued in Inter-SCF and Domestic Inland Water accounts in the analysis in table 2² if they are supposed to be treated “in the same manner as the non-CDS costs in those accounts.” Please confirm that only general ledger (GL) Account No. 53601, Account No. 53605, and Account No. 53606 should be considered for analysis under column “TCSS – CDS Only” and that the total percent difference will be 3.0% if confirmed.
3. The Postal Service “proposes that the GL Account No. 53605 and Account No. 53601 cost proportions be updated on an annual basis using TCSS data.”³ Please confirm that if the proposal is approved by the Commission, all CDS costs will accrue into only these two accounts and Account No. 53603 – Intra-P&DC Emergency (Intra-P&DC) and Account No. 53607 Intra-CSD Emergency (Intra-District) and no other general accounts as it is presently. If not confirmed, please list the other accounts the CDS costs may accrue and explain why it may be so.
4. The Postal Service indicates that “[i]f a CDS route is eligible and the data indicate that it is advantageous from a financial or service perspective to the Postal Service for these deliveries to be conducted by a rural carrier, the route may be converted from a CDS route to a rural route.”⁴ Please explain fully both the other eligibility factors that exist apart from 1) that the “CDS contract route must be in an office which only contains CDS and rural routes,” and 2) “[a] rural carrier must be capable of executing all activities of the CDS route,” and the financial or service indices from data for converting a CDS route to rural route.

² Docket No. RM2022-11, Library Reference USPS-RM2022-11/1, zipped folder “Prop.5.Fldr.1.CDS.Files.zip,” Excel file” 3-OIG_CDS_response_tables, tab “tcss_prop_comparison.”

³ Petition at 4. See also Report at 10.

⁴ Petition at 7. See also Report at 14.

5. Please confirm that the volume variable highway costs would increase by \$10.9 M or 0.3 percent as a result of the first part of the proposal and increase by \$33.9 M or 0.9 percent as a result of the second part of the proposal.⁵ Also, please confirm that the joint implementation of the two proposals with the FY 2021 data will cause a shift of \$42.9 M or 1.2 percent in highway costs from institutional to volume variable costs. *Id.* Total Domestic Competitive Mail and Services highway costs decrease by 0.2 percent under this proposal and Total Domestic Market Dominant Mail costs increase by \$39.1 M or 2.6 percent. *Id.*
6. Please refer to 3-OIG_CDS_response_tables.xlsx, Worksheet: tbl3_work.⁶ Please describe and show how FY 2021 APEX figures for Intra-P&DC and Intra-District accounts in cells B11, B12, B17, and B18 were derived. Please provide the SAS program if the figures were derived from the provided APEX dataset.
7. The Postal Service states that it was “able to recreate the OIG analysis of the impact of WebEOR and PTR mail mixes on rural and CDS routes, observing that they are similar in this case.”⁷ The Postal Service further states that “since this limited analysis only compared route volumes within the same offices and not in the system overall, there are limitations in projecting interpretations to the entire Postal delivery system.” *Id.* at 16.
 - a. Please provide all the datasets, files, and SAS programs employed to perform the stated analysis.
 - b. Please explain why the Postal Service did not deem it necessary to perform an expanded analysis to compare route volumes in order to

⁵ Docket No. RM2022-11, Library Reference USPS-RM2022-11/1, zipped folder ‘Prop.5.Fldr.1.CDS.Files.zip,’ Excel file ‘5-CDS Proposal - Public Impact,’ tabs ‘Impact-Rec 1,’ ‘Impact-Rec 2,’ and ‘Impact-Joint.’

⁶ Docket No. RM2022-11, Library Reference USPS-RM2022-11/1, zipped folder ‘Prop.5.Fldr.1.CDS.Files.zip,’ Excel file ‘3-OIG_CDS_response_tables.’

⁷ Report at 15.

eliminate any “limitations in projecting interpretations to the entire Postal delivery.” As part of the response, please estimate the time, cost, and other resources required to perform this analysis.

Respectfully submitted,

Almaroof Agoro
Public Representative

901 New York Avenue, N.W., Suite 200
Washington, DC 20268-0001
Phone 202-719-0737
Email: Almaroof.agoro@prc.gov